

106TH CONGRESS
1ST SESSION

H. R. 2424

To require the Board of Governors of the Federal Reserve System to post on its premises notices to employees regarding the applicable provisions of title VII of the Civil Rights Act of 1964.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 1999

Mr. JACKSON of Illinois (for himself, Mr. CAMPBELL, Mr. FRANK of Massachusetts, Mrs. MALONEY of New York, Mr. TRAFICANT, Mr. FROST, Ms. LEE, Ms. SCHAKOWSKY, Ms. PELOSI, Mr. LANTOS, Mr. DEFazio, Mrs. CLAYTON, Mrs. MINK of Hawaii, Mr. CLAY, Mr. CUMMINGS, Mr. GEJDENSON, Mr. BROWN of California, Mr. OWENS, Mr. HILLIARD, Mr. BRADY of Pennsylvania, Ms. KILPATRICK, Mr. RODRIGUEZ, Mr. PASTOR, Mrs. CHRISTENSEN, and Ms. MCKINNEY) introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committees on Education and the Workforce, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require the Board of Governors of the Federal Reserve System to post on its premises notices to employees regarding the applicable provisions of title VII of the Civil Rights Act of 1964.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Reserve Board
3 Civil Rights Compliance Act of 1999”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) The passage of the Civil Rights Act of 1964
7 was a milestone embodying a national policy of equal
8 protection under the law regardless of race, color,
9 religion, sex, or national origin.

10 (2) Title VII of the Civil Rights Act of 1964
11 protects individuals against discrimination in the
12 workplace.

13 (3) Section 717 of title VII of such Act applies
14 to all personnel actions affecting employees and ap-
15 plicants for employment in an “executive agency”.

16 (4) An “executive agency” is defined in section
17 105 of title 5, United States Code, to include an
18 “independent establishment” in the executive
19 branch.

20 (5) The Board of Governors of the Federal Re-
21 serve System exercises extensive regulatory and en-
22 forcement authority as a Federal banking agency (as
23 defined in section 3 of the Federal Deposit Insur-
24 ance Act) with regard to State banks which are
25 members of a Federal reserve bank, bank holding
26 companies, and foreign bank operations in the

1 United States under the Federal Reserve Act, the
2 Bank Holding Company Act of 1956, the Banking
3 Act of 1933, the International Banking Act of 1978,
4 the Federal Deposit Insurance Act, and other Fed-
5 eral laws, including the authority to remove direc-
6 tors, officers, and employees from their positions in
7 banks and bank holding companies, the authority to
8 impose large civil money penalties, and the authority
9 to order the divestiture of banks by bank holding
10 companies.

11 (6) The Supreme Court of the United States
12 has stated in the case of *Bowsher, Comptroller Gen-
13 eral of the United States v. Synar, Member of Con-
14 gress, et al.*, 478 U.S. 714, 733 (1986), that
15 “[i]nterpreting a law enacted by Congress to imple-
16 ment the legislative mandate is the very essence of
17 ‘execution’ of the law” and noted that the exercise
18 of judgment concerning facts that affect the applica-
19 tion of an Act is typically made by officers charged
20 with executing a statute, *ibid.*

21 (7) The activities of the Board of Governors of
22 the Federal Reserve System clearly constitute “exe-
23 cution of the law” and the Board is, therefore, clear-
24 ly and unambiguously an independent establishment

1 in the executive branch (as such term is used in sec-
2 tion 104 of title 5, United States Code).

3 (8) The Equal Employment Opportunity Com-
4 mission, which is responsible for enforcing compli-
5 ance with title VII of the Civil Rights Act of 1964,
6 has consistently and properly interpreted title VII as
7 applying to the Board of Governors of the Federal
8 Reserve System.

9 (9) The United States Court of Appeals for the
10 District of Columbia Circuit established, in the case
11 of *Hilliard v. Volcker*, 659 F.2d 1125 (D.C. Cir.
12 1981), that the Board of Governors of the Federal
13 Reserve System is an executive agency within the
14 meaning of section 105 of title 5, United States
15 Code, and section 717 of title VII of the Civil Rights
16 Act of 1964.

17 (10) The Board of Governors of the Federal
18 Reserve System did not argue to the contrary while
19 the case of *Hilliard v. Volcker* was before the United
20 States Court of Appeals for the District of Columbia
21 Circuit.

22 (11) On October 17, 1994, a jury in the case
23 *Bennett v. Greenspan*, C.A. No. 98-0813-RMU,
24 (Dt. D.C.) found the Board of Governors of the
25 Federal Reserve liable for racial discrimination, and

1 retaliation, in violation of title VII of the Civil
2 Rights Act of 1964.

3 (12) The Board of Governors of the Federal
4 Reserve System has repeatedly suggested in cor-
5 respondence with the Congress that such Board is
6 not an executive agency under section 105 of title 5,
7 United States Code, and is therefore not covered by
8 title VII of the Civil Rights Act of 1964.

9 (13) The Board of Governors of the Federal
10 Reserve System has acted inconsistently with cur-
11 rent law in suggesting, despite—

12 (A) the unambiguous meaning of section
13 105 of title 5, United States Code,

14 (B) the unambiguous language title VII of
15 the Civil Rights Act of 1964, and

16 (C) the clear applicability of title VII of
17 the Civil Rights Act of 1964 to the Board of
18 Governors of the Federal Reserve in several
19 cases brought against the Board in the courts
20 of the United States,

21 that the Board is not covered by title VII of the
22 Civil Rights Act of 1964.

23 **SEC. 3. REQUIRED POSTING OF NOTICES.**

24 The Board of Governors of the Federal Reserve Sys-
25 tem shall post and keep posted in conspicuous places upon

1 its premises where such notices to employees and appli-
2 cants for employment are customarily posted, and at such
3 other places as the Equal Employment Opportunity Com-
4 mission may determine, a notice to be prepared or ap-
5 proved by the Commission setting forth—

6 (1) excerpts from or summaries of the pertinent
7 provisions of title VII of the Civil Rights Act of
8 1964 (42 U.S.C. 2000e et seq.), and

9 (2) information pertinent to the rights and pro-
10 cedures applicable under such Acts to employees of,
11 and applicants for employment by, the Board.

12 **SEC. 4. REPORT ON COMPLIANCE.**

13 Not later than 180 days after the date of the enact-
14 ment of this Act, the Board of Governors of the Federal
15 Reserve System shall submit a report, to the Committee
16 on Banking and Financial Services of the House of Rep-
17 resentatives and the Committee on Banking, Housing, and
18 Urban Affairs of the Senate, describing in detail the ac-
19 tions taken by the Board to achieve compliance with sec-
20 tion 717 of the Civil Rights Act of 1964 (42 U.S.C.
21 2000e–16).

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